

[By Chris Garofolo](#)

Gov. Peter Shumlin and the U.S. Department of the Treasury announced Tuesday the approval of Vermont's State Small Business Credit Initiative application, which officials say will create jobs and stimulate new economic opportunities. The State Small Business Credit Initiative (SSBCI) program, which supports state-level small business incentives, would aid Vermont in spurring more than \$132 million in lending.

Treasury officials report the funding will help Vermont's small businesses access capital they need to expand operations and invest in new employment opportunities. And under the Small Business Jobs Act approved last fall, the state can access \$13.2 million in SSBCI funds.

Advocates say Vermont can expect to generate a minimum of at least \$10 of new private lending for every \$1 in federal funds. If that figure holds, the allocation would support more than \$132 million in private lending within the Green Mountain State.

Jeffrey Lewis, executive director of the Brattleboro Development Credit Corp., said a key constraint to economic recovery (particularly for smaller companies) is a lack of access to capital and loans. "I understand that this money will add to [the Vermont Economic Development Authority's] capability to address this critical need in our smaller businesses," he added.

Lawmakers on Capitol Hill agreed, noting the largest obstacle to creating jobs in the recession is access to capital. Providing an infusion of federal funds couldn't come at a better time, according to Vermont's congressional delegation.

U.S. Rep. Peter Welch, D-Vt., said the concern from small business owners is access to credit in the struggling economy, in spite of the best efforts of Vermont's community banks. "Vermont businesses are strong and ready to invest. That's why we pushed so hard for this legislation."

The state plan will dedicate \$1 million of the SSBCI funding to support its financial access program, providing loan portfolio insurance to encourage private financial institutions to lend to credit-worthy small businesses.

The remaining \$12.2 million is allocated into three programs -- \$5.9 million to the commercial loan participation program, \$3 million to the technology loan participation program and \$3.3 million for the small business loan program.

"This \$13.2 million in federal small business funding is terrific news for Vermont and it would not have been possible without the strong advocacy efforts of our congressional team," said Shumlin in a statement. "We thank Sen. Patrick Leahy, Sen. Bernie Sanders and Congressman Peter Welch for their efforts, and also thank the U.S. Department of the Treasury for this well-timed award. With the help of Vermont's private sector leverage, these federal funds will go far, giving our small businesses the critical boost they need to create jobs for Vermonters."

The Vermont Economic Development Authority will administer the SSBCI funds.